

to our  
members:



The year 1978 proved to be a successful and interesting one for your association and its management. Despite the challenge of burdensome new regulations, the association continued its strong growth pattern of the past several years. Total assets climbed well beyond the \$200 million mark. Savings gains of over \$19 million were more than matched by the increase in first mortgage loans of \$23 million. We maintained a healthy reserve position by adding nearly \$2 million to our required reserves and retained earnings accounts.

The strength of Utah's economy and its ability to assimilate the continuing home building pace of the past four years have been recently shown by a just-released survey of vacancies of completed homes in the State. These figures showed an average of less than 1% vacancy in single family dwellings. The post-World War II babies have reached the age where they are forming their own family groups and are now buying homes in record numbers. Although inflation and higher interest rates are squeezing today's home buyers, there continues to be strong demand and ability to meet down payment requirements as well as monthly payment obligations. Nationwide, loan delinquency ratios are at or near all-time lows thus refuting the notion that home buyers are being priced out of the market. Owning a home remains an excellent investment.

The advent of Money Market Certificates on June 1, 1978 enabled savings institutions like ours to provide funds to meet this housing demand. This plan permitted Deseret Federal the opportunity to offer a competitive new savings certificate program to new and existing savers. In the tight-money period of 1973-74, available loan funds were drastically curtailed when interest rates on government securities escalated well above our savings account ceilings. In the past seven months, however, we have been able to keep and attract savings accounts by offering 1/4 of 1% more than the rate on 6-month Treasury Bills.

Our new facilities in Sandy and the Foothill Village area are now in full operation. We are pleased to offer service to residents in these market areas. We have plans for other innovations in the near future. The entire Board of Directors, our officers and staff, join me in an expression of appreciation to our members who have made it possible to serve you. We pledge our best efforts to maintain the high level of friendly, courteous service to which everyone is entitled.

Cordially,

*Emerson L. Hardy*

Emerson L. Hardy  
President and Chairman of the Board